Bill

07/07/2005

08/04/2005

Received: 02/18/2005 Received By: pgrant Wanted: As time permits Identical to LRB: For: Sheryl Albers (608) 266-8531 By/Representing: Ryan Gruber This file may be shown to any legislator: **NO** Drafter: rnelson2 May Contact: Addl. Drafters: Subject: Local Gov't - misc Extra Copies: **MES** Courts - civil procedure State Govt - miscellaneous **Eminent Domain - miscellaneous** Submit via email: YES Requester's email: Rep.Albers@legis.state.wi.us Carbon copy (CC:) to: Pre Topic: No specific pre topic given Topic: Governmental actions affecting private property value **Instructions:** See Attached **Drafting History:** Vers. Drafted Reviewed <u>Typed</u> Proofed **Submitted** Jacketed Required /? pgrant S&L 02/18/2005 /P1 rnelson2 jdyer rschluet S&L lemery 03/23/2005 04/18/2005 04/18/2005 04/18/2005 \_\_\_\_\_ /P2 rnelson2 lkunkel rschluet S&L sbasford

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**LRB-2190** 09/19/2005 09:11:02 AM Page 2

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FE Sent For: 08/22/2005, 09/15/2005.

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## Bill

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pgrant

Subject:

Local Gov't - misc

Extra Copies:

**MES** 

**Courts - civil procedure State Govt - miscellaneous** 

**Eminent Domain - miscellaneous** 

Submit via email: YES

Requester's email:

Rep.Albers@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Governmental actions affecting private property value

**Instructions:** 

See Attached

**Drafting History:** 

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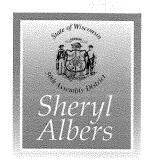
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To: LRB – Drafting

From: Representative Sheryl K. Albers

Date: February 16, 2005

Subject: Changes to takings law

Attached to this memo is a copy of Measure 37, which was passed by referendum in the State of Oregon in November 2004. Please draft this text as a 2005 bill, making necessary changes to accommodate the bill to Wisconsin's drafting standards but preserving the content of the bill.

Please contact Ryan Gruber in my office with any questions that you might have. Thank you very much.

# **Text of Measure**

The following provisions are added to and made a part of ORS chapter 197:

- (1) If a public entity enacts or enforces a new land use regulation or enforces a land use regulation enacted prior to the effective date of this amendment that restricts the use of private real property or any interest therein and has the effect of reducing the fair market value of the property, or any interest therein, then the owner of the property shall be paid just compensation.
- (2) Just compensation shall be equal to the reduction in the fair market value of the affected property interest resulting from enactment or enforcement of the land use regulation as of the date the owner makes written demand for compensation under this act.
- (3) Subsection (1) of this act shall not apply to land use regulations:
- (A) Restricting or prohibiting activities commonly and historically recognized as public nuisances under common law. This subsection shall be construed narrowly in favor of a finding of compensation under this act;
- (B) Restricting or prohibiting activities for the protection of public health and safety, such as fire and building codes, health and sanitation regulations, solid or hazardous waste regulations, and pollution control regulations;
- (C) To the extent the land use regulation is required to comply with federal law;
- (D) Restricting or prohibiting the use of a property for the purpose of selling pornography or performing nude dancing. Nothing in this subsection, however, is intended to affect or alter rights provided by the Oregon or United States Constitutions; or
- (E) Enacted prior to the date of acquisition of the property by the owner or a family member of the owner who owned the subject property prior to acquisition or inheritance by the owner, whichever occurred first.

- (4) Just compensation under subsection (1) of this act shall be due the owner of the property if the land use regulation continues to be enforced against the property 180 days after the owner of the property makes written demand for compensation under this section to the public entity enacting or enforcing the land use regulation.
- (5) For claims arising from land use regulations enacted prior to the effective date of this act, written demand for compensation under subsection (4) shall be made within two years of the effective date of this act, or the date the public entity applies the land use regulation as an approval criteria to an application submitted by the owner of the property, whichever is later. For claims arising from land use regulations enacted after the effective date of this act, written demand for compensation under subsection (4) shall be made within two years of the enactment of the land use regulation, or the date the owner of the property submits a land use application in which the land use regulation is an approval criteria, whichever is later.
- (6) If a land use regulation continues to apply to the subject property more than 180 days after the present owner of the property has made written demand for compensation under this act, the present owner of the property, or any interest therein, shall have a cause of action for compensation under this act in the circuit court in which the real property is located, and the present owner of the real property shall be entitled to reasonable attorney fees, expenses, costs, and other disbursements reason-ably incurred to collect the compensation.
- (7) A metropolitan service district, city, or county, or state agency may adopt or apply procedures for the processing of claims under this act, but in no event shall these procedures act as a prerequisite to the filing of a compensation claim under subsection (6) of this act, nor shall the failure of an owner of property to file an application for a land use permit with the local government serve as grounds for dismissal, abatement, or delay of a compensation claim under subsection (6) of this act.

- (8) Notwithstanding any other state statute or the availability of funds under subsection (10) of this act, in lieu of payment of just compensation under this act, the governing body responsible for enacting the land use regulation may modify, remove, or not to apply the land use regulation or land use regulations to allow the owner to use the property for a use permitted at the time the owner acquired the property.
- (9) A decision by a governing body under this act shall not be considered a land use decision as defined in ORS 197.015(10).
- (10) Claims made under this section shall be paid from funds, if any, specifically allocated by the legislature, city, county, or metropolitan service district for payment of claims under this act. Notwithstanding the availability of funds under this subsection, a metropolitan service district, city, county, or state agency shall have discretion to use available funds to pay claims or to modify, remove, or not apply a land use regulation or land use regulations pursuant to subsection (6) of this act. If a claim has not been paid within two years from the date on which it accrues, the owner shall be allowed to use the property as permitted at the time the owner acquired the property.
- (11) Definitions for purposes of this section:
- (A) "Family member" shall include the wife, husband, son, daughter, mother, father, brother, brother-in-law, sister, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, or grandchild of the owner of the property, an estate of any of the foregoing family members, or a legal entity owned by any one or combination of these family members or the owner of the property.
- (B) "Land use regulation" shall include:
- (i) Any statute regulating the use of land or any interest therein;
- (ii) Administrative rules and goals of the Land Conservation and Development Commission;

- (iii) Local government comprehensive plans, zoning ordinances, land division ordinances, and transportation ordinances;
- (iv) Metropolitan service district regional framework plans, functional plans, planning goals and objectives; and
- (v) Statutes and administrative rules regulating farming and forest practices.
- (C) "Owner" is the present owner of the property, or any interest therein.
- (D) "Public entity" shall include the state, a metropolitan service district, a city, or a county.
- (12) The remedy created by this act is in addition to any other remedy under the Oregon or United States Constitutions, and is not intended to modify or replace any other remedy.
- (13) If any portion or portions of this act are declared invalid by a court of competent jurisdiction, the remaining portions of this act shall remain in full force and effect.

72nd OREGON LEGISLATIVE ASSEMBLY--2003 Regular Session

NOTE: Matter within { + braces and plus signs + } in an amended section is new. Matter within { - braces and minus signs - } is existing law to be omitted. New sections are within { + braces and plus signs + } .

LC 1942

House Bill 3404

Sponsored by Representative KRUSE

#### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Allows owner of private real property to claim just compensation for land use regulation that restricts use of real property and reduces fair market value of property. Creates exceptions. Authorizes public entity to repeal, amend or refrain from enforcing regulation in lieu of paying just compensation.

#### A BILL FOR AN ACT

Relating to compensation for loss of property value resulting from land use regulation.

Be It Enacted by the People of the State of Oregon:

SECTION 1. { + Sections 2 and 3 of this 2003 Act are added to and made a part of ORS chapter 197. + }

SECTION 2. { + As used in this section and section 3 of this 2003 Act, unless the context requires otherwise:

- (1) 'Family member' means:
- (a) A spouse, child, parent, sibling, grandparent, grandchild, aunt, uncle, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepparent or stepchild, of the owner of the property;
- (b) The estate of any of the family members identified in paragraph (a) of this subsection; or
- (c) A legal entity owned by the owner, by the owner and one or more of the family members identified in paragraph (a) of this subsection or by one or more of the family members identified in paragraph (a) of this subsection.
- (2) 'Just compensation' means an amount of compensation equal to the reduction in the fair market value of the affected property, or of the interest in the affected property, that results from enactment or enforcement of a land use regulation, measured on the date the owner makes written demand for compensation under section 3 of this 2003 Act.
  - (3) 'Land use regulation' includes:
- (a) A statute regulating the use of private real property, or an interest in property;
- (b) Land use planning goals and administrative rules adopted by the Land Conservation and Development Commission;
- (c) Comprehensive plans and ordinances regulating zoning, land division and transportation adopted by a local government;
  - (d) Regional land use goals and objectives, framework plans and

#### Relating to compensation for loss of property value resulting from land use regulation.

functional plans adopted by a metropolitan service district; and

- (e) Statutes and administrative rules regulating farming and forest practices.
- (4) 'Owner' means the record holder of a title interest in private real property or the contract purchaser of a title interest in private real property.
- (5) 'Public entity' includes the State of Oregon, a
  metropolitan service district, a city, a county or a special
  district. + }
- SECTION 3. { + (1) Subject to subsection (3) of this section, a public entity shall pay the owner of the property just compensation if the use of, or an interest in, private real property is restricted and the fair market value of the property, or of the interest in the property, is reduced by the actions of a public entity to:
  - (a) Enact or enforce a new land use regulation; or
- (b) Enforce a land use regulation adopted prior to the effective date of this 2003 Act.
- (2) An owner may make a written demand claiming a right to just compensation under subsection (1) of this section.
- (3) Subsection (1) of this section does not apply to land use regulations that:
- (a) Restrict or prohibit activities commonly and historically recognized as public nuisances under common law. This paragraph must be construed narrowly in favor of a finding of compensation;
- (b) Restrict or prohibit activities for the protection of public health and safety including, but not limited to, fire and building codes, health and sanitation regulations, solid or hazardous waste regulations and pollution control regulations;
  - (c) Comply with federal law;
- (d) Restrict or prohibit the use of property for the purpose of selling pornography or performing nude dancing. Nothing in this paragraph affects or alters rights provided by the Oregon or United States Constitutions; or
- (e) Are enacted or adopted prior to the date the owner acquired the property or, if the owner inherited the property from a family member, the date the family member acquired the property, whichever occurred first.
- (4) For a claim arising from a land use regulation enacted or adopted prior to the effective date of this 2003 Act, an owner shall make the written demand for compensation required under subsection (2) of this section within two years of the later of the following:
  - (a) The effective date of this 2003 Act; or
- (b) The date the public entity applies the land use regulation as an approval criterion to an application submitted by the owner of the private real property.
- (5) For a claim arising from a land use regulation enacted or adopted on or after the effective date of this 2003 Act, an owner shall make the written demand for compensation required under subsection (2) of this section within two years of the later of the following:
  - (a) The date the land use regulation is enacted or adopted; or
- (b) The date the owner of private real property submits a land use application to a public entity that applies the land use regulation as an approval criterion.
- (6) When a public entity continues to enforce a land use regulation to the subject private real property for 180 days after the owner of the real property makes a written demand for compensation under subsection (2) of this section, the owner may file an action claiming just compensation under this subsection in the circuit court for the county in which the real property is located. A court shall award reasonable attorney fees, costs and

#### Relating to compensation for loss of property value resulting from land use regulation.

disbursements incurred to collect just compensation to an owner of private real property who prevails in an action under this section.

- (7) A public entity may enact or adopt procedures for processing written demands claiming just compensation under subsection (2) of this section, but an owner of private real property is not required to exhaust the remedies under those procedures before filing an action claiming just compensation under subsection (6) of this section.
- (8) An owner is not required to apply for a land use decision, a limited land use decision or an expedited land division before filing an action claiming just compensation under subsection (6) of this section, and failure to do so is not grounds for dismissal, abatement or delay of an action claiming just compensation under subsection (6) of this section.
- (9) (a) Notwithstanding any other land use regulation, a public entity may, in lieu of paying just compensation, agree to repeal, amend or refrain from enforcing a land use regulation to allow an owner to use the real property for a use that was lawful on the date the owner acquired the real property or, if the owner inherited the property from a family member, the date the family member acquired the property.
- (b) A decision by a public entity under this subsection is not a land use decision as defined in ORS 197.015.
- (10)(a) A public entity shall pay just compensation, and any attorney fees, costs and disbursements awarded in an action filed under subsection (6) of this section only from moneys appropriated or allocated by a public entity specifically for paying just compensation and attorney fees, costs and disbursements.
- (b) If a public entity does not pay just compensation and the attorney fees, costs and disbursements awarded in an action filed under subsection (6) of this section within two years from the date of entry of the final judgment, from which no further appeals can be taken, an owner may use the property in any manner that was lawful on the date the owner acquired the real property or, if the owner inherited the property from a family member, the date the family member acquired the property.
- (11) The remedy created by this section is in addition to and not in lieu of other remedies. + }



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# State of Misconsin

LRB-2190/P1

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AN ACT ...; relating to: compensation for the reduction in the fair market value of private real property.

### Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version. For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 895.45 of the statutes is created to read:

## 895.45 Compensation for public use of private land. (1) In this section:

(a) "Family member" means a person who is related to another person as a spouse, parent, child, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, or grandchild.

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1	(b) "Governmental unit" means the state, any county, city, village, town, or
(2)	other political subdivision of the state or any combination, department, division,
3	board or other agency of any of the foregoing.
4	(c) "Land use regulation" means any of the following:
5	1. A statute regulating farming, forest practices, or the use of private real
6	property or of any interest in private real property.
7	2. An administrative rule regulating the use of private real property or of any
8	interest in private real property.
9	3. An ordinance, including a zoning ordinance, regulating the use of private
10	real property or of any interest in private real property.
11	4. Local or regional plans that regulate the use of private real property or of any
12	interest in private real property.
13	(d) "Private real property" means real property or an interest in real property
14	that is not owned by the United States, a governmental unit, or a nonprofit
15)	organization described in section 501 (c) of the internal revenue code.
(16)	(2) (a) If, after the effective date of this subsection[revisor inserts date], a
17	governmental unit enacts a land use regulation or enforces a land use regulation that
18	was in effect on the effective date of this subsection[revisor inserts date], that
19	restricts the use of private real property and that reduces the fair market value of
20	the property, the owner of the property shall be paid compensation equal to the
21	amount of the reduction of the fair market value of the property.
22	(b) The compensation shall be due if the land use regulation continues to be
23	enforced against the private real property 180 days after the owner street property
24	makes a written demand for compensation to the governmental unit that is enforcing

the land use regulation. If a claim for compensation arises from a land use regulation

(19)

- enacted before the effective date of this paragraph....[revisor inserts date], the written demand for compensation must be made within the years after the date that the governmental unit applies the land use regulation to a land use application submitted by the property owner or within the years after the effective date of this paragraph....[revisor inserts date], whichever is later. If a claim for compensation arises from a land use regulation enacted after the effective date of this paragraph....[revisor inserts date], the written demand for compensation must be made within the years after the date that the governmental unit enacts the land use regulation or within the years after the property owners submits a land use application that is affected by the land use regulation, whichever is later.
- (3) A governmental unit may adopt procedures for the processing of claims for compensation under sub. (2), but those procedures may not be required as a prerequisite to the filing of a written demand for compensation under sub. (2). The failure of an owner of private real property to file a lind use application with a governmental unit is not grounds for dismissal, abatement or delay of a claim for compensation under sub. (2).
- (4) In lieu of payment of compensation as the result of a written demand under sub. (2), the governmental unit that enacted or enforced the land use regulation may modify, remove, or not apply the land use regulation to allow the private real property owner to use the property in a manner that was permitted at the time that the owner acquired the property.
- (5) An owner of private real property may bring an action in circuit court where the property is located for compensation equal to the reduction in the fair market value of the property resulting from any land use regulation that restricts the use of private real property if the land use regulation continues to apply to the property

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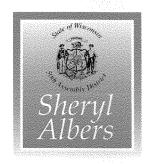
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,	SECTION 1
*	property
1	more than 180 days after the owner has made a written demand for compensation
2	under sub. (2). The court, if ordering compensation, shall also order the
3	governmental unit to pay the property owner's reasonable attorney fees, expenses,
4	costs and disbursements related to the circuit court action.
5	(6) If compensation ordered under sub. (5) is not paid within two years after
6	the order is entered, or if the governmental unit has not modified, removed, or not
7)	applied the land use regulation as provided under sub. (4) within two years after the
8	owner made a written demand for compensation, the owner shall be allowed to use
9	the private real property in a manner that was permitted at the time that the owner
0	acquired the property.
1	(7) Sub (2) does not apply to a land use regulation that meets any of the
2	following criteria:
3)	(a) Restricts or prohibits public nuisances. This paragraph shall be construed

- narrowly in favor of a finding of the right to receive compensation under this section.
- (b) Regulates or prohibits activities for the protection of public health and safety, including fire and building codes, health and sanitation laws and rules, solid or hazardous waste laws or rules, and pollution control laws and rules.
  - (c) Is required to comply with federal law.
  - (d) Prohibits the possession or sale of pornography.

private real (e) Was enacted before the date that the owner acquired the property unless the regulation was enacted before the owner acquired the property but after a family member of the owner, the estate of a family member, or a legal entity owned by a family member, acquired the property.

- 1 (8) The provisions of ss. 893.80 and 893.82 do not apply to claims made under this section.
- 3 (END)



#### INTEROFFICE MEMORANDUM

TO:

ROBERT NELSON, ATTORNEY

FROM:

JOYCE WALDROP, CHIEF OF STAFF

REPRESENTATIVE SHERYL ALBERS

SUBJECT:

LRB2190/P1

DATE:

06/08/2005

I have attached a copy of the LRB2190/P1 with written comments made by Representative Albers. Please revise the draft to include these comments. If it is unclear what she is asking to include please contact me at 6-0427. If you wish we could go over the changes either by phone or we could meet to discuss them, whatever would be the most helpful to you.

#### **2005 - 2006 LEGISLATURE**

2/10/20

## PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1 AN ACT *to create* 895.45 of the statutes; **relating to:** compensation for the reduction in the fair market value of private real property.

## Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version. For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 895.45 of the statutes is created to read:

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## 895.45 Compensation for public use of private land. (1) In this section:

(a) "Family member" means a person who is related to another person as a spouse, parent, child, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, stepparent, stepchild, grandparent, or grandchild.

- (b) "Governmental unit" means the state, any county, city, village, town, for 1 2 other political subdivision of the state, or any combination, department, division, 3 board, or other agency of any of the foregoing. (c) "Land use regulation" means any of the following: 5 1. A statute regulating farming, forest practices, or the use of private real 6 property or of any interest in private real property. 7 2. An administrative rule regulating the use of private real property or of any 8 interest in private real property. 3. An ordinance, including a zoning ordinance, regulating the use of private qreal property or of any interest in private real property derive 4. Local of private real property or of any interest in private real property. of willed tousling comby a the (d) "Private real property" means real property or an interest in real property that is not owned by the United States, a governmental unit, or a nonprofit organization described in section 501 (c) of the Internal Revenue Code.
  - (2) (a) If, after the effective date of this paragraph .... [revisor inserts date], a governmental unit enacts a land use regulation or enforces a land use regulation that was in effect on the effective date of this paragraph .... [revisor inserts date], that restricts the use of private real property and that reduces the fair market value of the property the property owner shall be paid compensation equal to the amount of

21 the reduction of the fair market value of the property.

(b) The compensation shall be due if the land use regulation continues to be enforced against the private real property 180 days after the property owner makes a written demand for compensation to the governmental unit that is enforcing the land use regulation/ If a claim for compensation arises from a land use regulation/

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enacted before the effective date of this paragraph .... [revisor inserts date], the written demand for compensation must be made within 2 years after the date that the governmental unit applies the land use regulation to a land use application submitted by the property owner or within 2 years after the effective date of this paragraph .... [revisor inserts date], whichever is later. If a claim for compensation arises from a land use regulation enacted after the effective date of this paragraph .... [revisor inserts date], the written demand for compensation must be made within 2 years after the date that the governmental unit enacts the land use regulation or within 2 years after the property owner submits a land use application that is affected by the land use regulation whichever is later.

- (3) A governmental unit may adopt procedures for the processing of claims for compensation under sub. (2), but those procedures may not be required as a prerequisite to the filing of a written demand for compensation under sub. (2). The failure of a property owner to file a land use application with a governmental unit is not grounds for dismissal, abatement, or delay of a claim for compensation under sub. (2).
- (4) In lieu of payment of compensation as the result of a written demand under sub. (2), the governmental unit that enacted or enforced the land use regulation may modify, remove, or not apply the land use regulation to allow the property owner to use the property in a manner that was permitted at the time that the owner acquired the property.
- (5) A property owner may bring an action in circuit court where the private real property is located for compensation equal to the reduction in the fair market value of the property resulting from any land use regulation that restricts the use of the property if the land use regulation continues to apply to the property more than 180

1	days after the property owner has made a written demand for compensation under
2	sub. (2). The court, if ordering compensation, shall also order the governmental unit
3	to pay the property owner's reasonable attorney fees, expenses, costs and
4	disbursements related to the circuit court action.
5	(6) If compensation ordered under sub. (5) is not paid within 2 years after the
6	order is entered, or if the governmental unit has not modified, removed, or not
7	applied the land use regulation as provided under sub. (4) within 2 years after the
8	owner made a written demand for compensation, the property owner shall be allowed
9	to use the private real property in a manner that was permitted at the time that the
10	owner acquired the property.
11	(7) Subsection (2) does not apply to a land use regulation that meets any of the
12	following criteria:
13	(a) Restricts or prohibits public nuisances. This paragraph shall be construed
14	narrowly in favor of a finding of the right to receive compensation under this section.
15	(b) Regulates or prohibits activities for the protection of public health and
16	safety, including fire and building codes, health and sanitation laws and rules, solid
17	or hazardous waste laws or rules, and pollution control laws and rules.
18	(c) Is required to comply with federal law.
19	(d) Prohibits the possession or sale of pornography.
20	(e) Was enacted before the date that the owner acquired the private real
21	property unless the regulation was enacted before the owner acquired the property
22	but after a family member of the owner, the estate of a family member, or a legal
23	entity owned by a family member, acquired the property.

- 1 **(8)** The provisions of ss. 893.80 and 893.82 do not apply to claims made under this section.
- 3 (END)